

BOARD OF DIRECTORS

Sunil Kumar Sharma
Pankaj Gaur
Sameer Gaur
Rakesh Sharma
Suren Jain
G P Singh
Naveen Kumar Singh
Sidheswar Sen, Whole-time Director

COMPANY SECRETARY

Samir Raheja

AUDITORS

Chaturvedi & Partners
Chartered Accounts
New Delhi

REGISTERED & CORPORATE OFFICE

Sector 128, Distt. Gautam Budh Nagar
Noida 201 304 (U.P.)
Tel: +91-120-4609000
Fax: +91-120-4609464

BANKER/LENDER

ICICI Bank Limited

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Annexure to the Directors' Report

Information pursuant to Sub-section 2A of Section 217 of the Companies Act, 1956 is given below :

Employed throughout the year and in receipt of remuneration aggregating ₹ 60,00,000/- or more

Name of the Employee	: Shri Siddheswar Sen
Designation/ Nature of duties	: Whole-time Director
Gross Remuneration	: ₹ 60,43,884/-
Qualification	: B.E
Age	: 67 years
Total Experience	: 46 years
Date of commencement of employment	: 01.08.2010
Previous Employment	: Jaiprakash Power Ventures Limited

Notes :

- i) Gross remuneration includes Salary, House Rent Allowance and other perquisites like Medical Reimbursement, Leave Travel Assistance etc.
- ii) He is appointed for a period of three years w.e.f 1st August, 2010.
- iii) He is not related to any Director of the Company.

AUDITORS' REPORT

TO THE MEMBERS OF
SANGAM POWER GENERATION COMPANY LIMITED

1. We have audited the attached Balance Sheet of **SANGAM POWER GENERATION COMPANY LIMITED**, as at March 31, 2012, the Statement of Profit and Loss and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' (the 'Act') we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable.
4. Further to our comments in the annexure referred to in paragraph 3 above, we report that:

- a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c. The Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d. In our opinion, the Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act;
- e. On the basis of written representations received from the directors as on March 31, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act;
- f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
 - ii. in case of statement of Profit & Loss, there is no profit or loss for the year ended on March 31, 2012; and
 - iii. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For CHATURVEDI & PARTNERS
Chartered Accountants
Firm Registration No. 307068E

New Delhi
May 10, 2012

R N CHATURVEDI
Partner
Membership No. 092087

**ANNEXURE REFERRED TO IN PARAGRAPH 3 OF
OUR REPORT OF EVEN DATE**

- i. a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b. Fixed assets have been physically verified by the management during the year pursuant to a programme for physical verification of fixed assets, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no discrepancies were noticed on such verification.
 - c. The Company has not disposed off any of its fixed assets during the year.

- ii. The Company did not hold any inventory during the year. Accordingly clauses (ii) (a) to (ii) (c) of Para 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- iii. The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly clauses (iii) (a) to (iii) (g) of Para 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of fixed assets. During the year, the Company did not have any transaction for purchase of inventory and / or sale of goods and services. During the course of our audit, we have neither observed nor have been informed of any continuing failure to correct major weaknesses in internal control system of the Company.
- v. In our opinion and according to the information and explanations given to us, there were no contracts or arrangements, the particulars of which needed to be entered in the register maintained under Section 301 of the Companies Act, 1956.
- vi. According to the information and explanations given to us, the Company has not accepted any deposit from the public within the provisions of Sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
- vii. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- viii. The Central Government has prescribed the maintenance of cost records under Section 209 (1)(d) of the Companies Act, 1956. The company is however yet to commence operations.
- ix. a. The Company is regular in depositing undisputed statutory dues including income tax, sales tax and cess with the appropriate authorities. Provisions of other statutory dues including provident fund, investor education and protection fund, employees' state insurance, wealth tax, service tax, custom duty and excise duty are not applicable to the Company for the current year.
- b. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax and cess were in arrears as at March 31, 2012 for a period of more than six months from the date they became payable.
- c. According to the information and explanation given to us, there are no dues of income tax and sales tax which have not been deposited on account of any dispute.
- x. In our opinion, the accumulated losses of the company are not more than fifty percent of its networth. Further, the company has not incurred cash losses in the financial year covered by our audit and in the immediately preceding financial year.
- xi. In our opinion and according to the records of the company examined by us and the information and explanations given to us, the Company has not raised money from any financial institution or bank as at the Balance Sheet date. The Company has not issued any debentures.
- xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly clause (xii) of Para 4 of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- xiii. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Accordingly clause (xiii) of Para 4 of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- xiv. The Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly clause (xiv) of Para 4 of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- xv. According to the information and explanations given to us, the Company has given the guarantee of ₹ 196,500 lacs on its assets (as a second charge) for loan taken by Jaiprakash Power Venture Limited (Holding Company) from banks or financial institutions during the year. The Company, being a wholly owned subsidiary, terms and conditions are not prejudicial to the interest of the Company.
- xvi. In our opinion, and according to the information and explanations given to us, no term loans have been raised by the Company during the year.
- xvii. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act. Accordingly clause (xviii) of Para 4 of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- xix. The Company does not have any debentures issued and outstanding as at the year end. Accordingly clause (xix) of Para 4 of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- xx. The Company has not raised any money by public issue. Accordingly, clause (xx) of Para 4 of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- xxi. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For CHATURVEDI & PARTNERS
Chartered Accountants
Firm Registration No. 307068E

R N CHATURVEDI
Partner
Membership No. 092087

New Delhi
May 10, 2012

BALANCE SHEET AS AT MARCH 31, 2012

(Amount in ₹)

Particulars	Note No.	As at 31-03-2012	As at 31-03-2011	
I. EQUITY AND LIABILITIES				
(1) Shareholder's Funds				
(a) Share Capital	2	5,519,772,000	5,519,772,000	
(b) Reserves and Surplus	3	(651,770)	(651,770)	
(c) Money received against share warrants		-	- 5,519,120,230	
(2) Share application money pending allotment		-	-	
(3) Non-Current Liabilities				
(a) Long-term borrowings		-	-	
(b) Deferred tax liabilities (Net)		-	-	
(c) Other Long term liabilities		-	-	
(d) Long term provisions	4	886,886	886,886	434,673
(4) Current Liabilities				
(a) Short-term borrowings		-	-	
(b) Trade payables		-	-	
(c) Other current liabilities	5	3,154,454	5,244,305	
(d) Short-term provisions		-	- 5,244,305	
Total		5,523,161,570	5,524,799,208	
II. ASSETS				
(1) Non-current assets				
(a) Fixed assets				
(i) Tangible assets	6	713,206,189	713,404,854	
(ii) Intangible assets		-	-	
(iii) Capital work-in-progress	7	1,048,455,146	1,025,143,294	
(iv) Intangible assets under development		-	-	
(b) Non-current investments		-	-	
(c) Deferred tax assets (net)		-	-	
(d) Long term loans and advances	8	3,620,979,365	3,620,977,665	
(e) Other non-current assets		-	- 5,359,525,813	
(2) Current assets				
(a) Current investments		-	-	
(b) Inventories		-	-	
(c) Trade receivables		-	-	
(d) Cash and Bank Balances	9	122,802,143	153,150,934	
(e) Short-term loans and advances	10	25,769	123,541	
(f) Other current assets	11	17,692,958	140,520,870	11,998,920
Total		5,523,161,570	5,524,799,208	

 Significant Accounting Policies 1
The Accompanying Notes (1-21) are an integral part of the Financial Statements

As per our report of even date attached

For Chaturvedi & Partners

Chartered Accountants

F.R.N. 307068E

R. N. Chaturvedi

Partner

Membership No. 092087

Place: Noida

Date: May 10, 2012

For and on behalf of the Board
Rakesh Sharma

Director

DIN 00009952

Suren Jain

Director

DIN 00011026

Samir Raheja

Company Secretary

Sunil Kumar Sharma

Director

DIN 00008125

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

(Amount in ₹)

Particulars	Note No.	For the Year ended on 31-03-2012	For the Year ended on 31-03-2011
I. Revenue from operations		-	-
II. Other Income		-	-
III. Total Revenue (I +II)		-	-
IV. Expenses:			
Cost of materials consumed		-	-
Purchase of Stock-in-Trade		-	-
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		-	-
Employee benefit expense		-	-
Financial costs		-	-
Depreciation and amortization expense		-	-
Other expenses		-	-
Total Expenses		-	-
V. Profit before exceptional and extraordinary items and tax (III - IV)		-	-
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V - VI)		-	-
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII - VIII)		-	-
X. Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
XI. Profit(Loss) from the period from continuing operations (VII-VIII)		-	-
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax expense of discontinuing operations		-	-
XIV. Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
XV. Profit/(Loss) for the period (XI + XIV)		-	-
XVI. Earning per equity share:			
(1) Basic		-	-
(2) Diluted		-	-

 Significant Accounting Policies 1
The Accompanying Notes (1-21) are an integral part of the Financial Statements

As per our report of even date attached

For Chaturvedi & Partners

Chartered Accountants

F.R.N. 307068E

R. N. Chaturvedi

Partner

Membership No. 092087

Place: Noida

Date: May 10, 2012

For and on behalf of the Board
Rakesh Sharma

Director

DIN 00009952

Suren Jain

Director

DIN 00011026

Samir Raheja

Company Secretary

Sunil Kumar Sharma

Director

DIN 00008125

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTE - 1:

Significant Accounting Policies:

a) Basis of Preparation of Financial Statements

- (i) The financial statements are based on the historical cost convention in accordance with Generally Accepted Accounting Principles (GAAP), comprising of mandatory Accounting Standards notified in Section 211 (3C) and other provisions of the Companies Act, 1956.
- (ii) Accounting policies not specifically referred to otherwise are being consistently followed and are in accordance with generally accepted accounting principles.

b) Revenue Recognition

Revenue/Income and Costs/Expenditure are accounted for on accrual basis as they are earned or incurred.

c) Fixed Assets

Fixed Assets are stated at Cost of procurement or construction inclusive of freight, erection & commissioning charges, duties and taxes, expenditure during construction period, Interest on borrowings and financing cost upto the date of commissioning.

d) Depreciation

- (i) Depreciation is provided on straight line method at the rates specified in Schedule -XIV to the Companies Act, 1956.
- (ii) Premium on Leasehold Land is amortized over the period of Lease.

e) Expenditure during Construction Period

Expenditure incurred on projects/assets during construction/ implementation is capitalized and apportioned to projects/assets on commissioning.

f) Foreign Currency Transactions

- (i) Transactions in Foreign Currency are recorded in the Books of Accounts in Indian Currency at the rate of exchange prevailing on the date of transaction.
- (ii) All loans and deferred credits repayable in Foreign Currency and outstanding at the close of the year are expressed in Indian Currency at the rate of exchange prevailing on the date of the Balance Sheet.
- (iii) Foreign Exchange gain/loss on fixed assets is being adjusted against the cost of assets. Foreign Exchange gain/loss other than on fixed assets is being charged to Profit & Loss Account.

g) Investments

Investments are stated at Cost and where there is permanent diminution in the value of Investments a provision is made wherever applicable.

h) Inventory

Inventory of Stores and Spares are valued at weighted average cost method.

i) Employees Benefits

Employees Benefits are provided in the books as per Accounting Standard (AS) -15 (revised) in the following manner:

- a) Provident Fund and Pension contribution-as a percentage of salary/wages as per provisions of Employees Provident Funds and Miscellaneous Provisions Act, 1952.
- b) Gratuity and Leave Encashment is defined benefit obligation. The liability is provided for on the basis on Projected Unit Credit Method adopted in the actuarial valuation made at the end of each financial year.

j) Borrowing Costs

Borrowing costs attributable to the procurement/construction of fixed assets are capitalised as part of the cost of the respective assets upto the date of commissioning. Other borrowing costs are recognized as expense during the year in which they are incurred.

k) Taxes on Income

Provision for current tax is being made after taking into consideration benefits admissible to the Company under the provisions of the Income Tax Act, 1961.

Deferred tax liability is computed as per AS-22. Deferred Tax Asset and Deferred Tax Liability are computed by applying rates and tax laws that have been enacted upto the Balance Sheet date.

l) Amortization of Miscellaneous expenditure

Preliminary Expenditure is written off as per the provisions of AS-26 in the first year of the operation.

m) Provisions, Contingent Liabilities and Contingent Assets AS-29

Provisions involving substantial degrees of estimation in measurement are recognized when there is a present obligation as a result of past events and if is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes as per AS-29. Contingent Assets are neither recognized nor disclosed in the financial statements.

(Amount in ₹)

Particulars	As at 31-03-2012	As at 31-03-2011
NOTE - 2		
SHARE CAPITAL		
Authorised		
4,000,000,000 Equity Shares of ₹ 10 each		
(Previous year 4,000,000,000 Equity Shares of ₹ 10 each)	40,000,000,000	40,000,000,000
Issued, Subscribed and Fully Paid up		
551,977,200 Equity Shares of ₹ 10 each	5,519,772,000	5,519,772,000
(Previous year 551,977,200 Equity Shares of ₹ 10 each)		
Total	5,519,772,000	5,519,772,000
2.1 Reconciliation of Number of Equity Shares outstanding	Number of Shares	Number of Shares
Number of Shares outstanding at the beginning of the Period	551,977,200	151,977,200
Add: Issued during the Period	-	400,000,000
Number of Shares outstanding at the end of the Period	551,977,200	551,977,200

2.2 Out of the above issued and subscribed share capital 551,977,200 (551,977,200) equity shares, being more than 5 percent are held by Jaiprakash Power Ventures Limited the Holding Company.

2.3 The Company has only one class of Equity Shares having par value of ₹ 10 per share. Each holder of Equity Shares is entitled to one vote per share and entitled for dividend.

(Amount in ₹)

Particulars	As at 31-03-2012	As at 31-03-2011
NOTE - 3		
RESERVES & SURPLUS		
Surplus		
Balance as at the beginning of the year	(651,770)	(651,770)
Amount Transferred surplus/ (Deficit) from the Statement of Profit and Loss during the year	-	-
Balance as at the end of the year	(651,770)	(651,770)

(Amount in ₹)

Particulars	As at 31-03-2012	As at 31-03-2011
NOTE - 4		
LONG TERM PROVISIONS		
Provision for Employee Benefits		
Provision for Leave Salary	553,466	265,888
Provision for Gratuity	333,420	168,785
Total	886,886	434,673

(Amount in ₹)

Particulars	As at 31-03-2012	As at 31-03-2011
NOTE - 5		
OTHER CURRENT LIABILITIES		
Accrued salaries, wages and benefits	1,140,439	642,695
Provision / payables for expenses	1,794,751	3,842,861
Tax deducted at source	219,264	758,749
Total	3,154,454	5,244,305

NOTE - 6
TANGIBLE ASSETS

(Amount in ₹)

Description of Assets	Land		Furniture and Fixtures	Vehicle	Office Equipment	Computer	Total
	Free Hold	Lease Hold					
Cost or valuation							
As at April 01, 2010	359,810,120	-	1,950	-	-	-	359,812,070
Additions	315,107,120	36,561,259	270,626	1,304,541	371,606	303,477	353,918,629
Disposals	-	-	-	-	-	-	-
As at March 31, 2011	674,917,240	36,561,259	272,576	1,304,541	371,606	303,477	713,730,699
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
As at March 31, 2012	674,917,240	36,561,259	272,576	1,304,541	371,606	303,477	713,730,699

Description of Assets	Land		Furniture and Fixtures	Vehicle	Office Equipment	Computer	Total
	Free Hold	Lease Hold					
Depreciation							
As at April 01, 2010	-	-	1,950	-	-	-	1,950
Charges for the year	-	-	97,988	117,820	84,140	23,947	323,895
Disposals	-	-	-	-	-	-	-
As at March 31, 2011	-	-	99,938	117,820	84,140	23,947	325,845
Charges for the year	-	-	11,446	123,931	14,094	49,194	198,665
Disposals	-	-	-	-	-	-	-
As at March 31, 2012	-	-	111,384	241,751	98,234	73,141	524,510
Net Block							
As at March 31, 2011	674,917,240	36,561,259	172,638	1,186,721	287,466	279,530	713,404,854
As at March 31, 2012	674,917,240	36,561,259	161,192	1,062,790	273,372	230,336	713,206,189

(Amount in ₹)

Particulars	As at 31-03-2012	As at 31-03-2011
NOTE - 7		
CAPITAL WORK IN PROGRESS		
Opening Balance	1,025,143,294	924,030,614
Advertisement & Publicity	24,310	-
Audit Fees	110,300	110,300
Communication Expenses	123,360	85,259
Depreciation	198,665	323,895
Interest & Financial Charges	10,920,086	178,229,650
Insurance Charges	51,200	26,886
Legal & Professional Charges	1,669,862	15,394,887
Licence & Application Fees	16,860	544,900
Medical Expenses	-	70,803
Miscellaneous Expenses	1,238	326,787
Site Development Expenses	-	3,049,455
Office & Camp Maintenance Expenses	-	85,822
Power, Water & Electricity Charges	35,328	290,404
Printing & Stationery	31,342	140,808

(Amount in ₹)

Particulars	As at 31-03-2012	As at 31-03-2011
NOTE - 7		
CAPITAL WORK IN PROGRESS (Contd.)		
Rent, Rate & Taxes	800,000	1,983,952
Salary & Wages	19,244,488	8,281,473
Staff Welfare Expenses	85,311	19,991
Travelling & Conveyance Expenses	1,772,299	1,338,647
Value Added Tax	1,971	32,334
Vehicle Running & Maintenance Expenses	488,183	777,644
Sub Total	1,060,718,097	1,135,144,511
Less: Interest Received (Gross)	12,204,939	107,455,666
(Tax Deducted at Source ₹ 1,220,495/-, Previous Year ₹ 10,745,568/-)		
Less: Income tax refund	58,012	-
Add: Income Tax Expenses	-	2,545,551
Total	1,048,455,146	1,025,143,294

(Amount in ₹)

Particulars	As at 31-03-2012	As at 31-03-2011
NOTE - 8 LONG TERM LOANS AND ADVANCES		
Advance for Capital Work in Progress	3,320,727,665	3,320,727,665
Security Deposits		
- With Govt. Corporations	300,251,700	300,250,000
Loans and Advances to Related Parties	-	-
Total	3,620,979,365	3,620,977,665

Particulars	As at 31-03-2012	As at 31-03-2011
NOTE - 9 CASH AND BANK BALANCES		
Cash & Cash Equivalents		
Balances with Banks		
- in Current Accounts	814,451	41,744,781
- in Fixed deposit accounts with maturity of less than three months	66,250,262	27,945,000
Cash in hand	72,232	37,774
Sub Total	67,136,945	69,727,555
Other Bank Balances		
- in Free Fixed Deposit Account with maturity of more than three months but less than twelve months	14,051,959	45,000,000
Held as margin money deposits against guarantees	41,613,239	38,423,379
Sub Total	55,665,198	83,423,379
Total	122,802,143	153,150,934

Note: Cash and cash equivalents as of March 31, 2012 and March 31, 2011 include restricted cash and bank balances of ₹ 41,613,239 and ₹ 38,423,379 respectively. The restrictions are primarily on account of deposits held as margin money against guarantee.

(Amount in ₹)

Particulars	As at 31-03-2012	As at 31-03-2011
NOTE - 10: SHORT TERM LOANS AND ADVANCES		
Security Deposit		
-With Others	-	15,000
Other Advances	12,077	108,541
Prepaid insurance expenses	13,692	-
Total	25,769	123,541

(Amount in ₹)

Particulars	As at 31-03-2012	As at 31-03-2011
NOTE - 11: OTHER CURRENT ASSETS		
Tax deducted at source & advance tax	11,966,063	11,574,356
Interest accrued on deposits with banks	5,726,895	424,564
Total	17,692,958	11,998,920

NOTE - 12:

The Company is setting up a 1980 MW, domestic coal based thermal power project at Tehsil Karchana, District Allahabad, Uttar Pradesh and Company is 100% subsidiary of Jaiprakash Power Ventures Limited.

NOTE - 13:

Contingent Liabilities & Capital Commitments:

Particulars	Amount
(i) Outstanding amount of Bank Guarantees (Previous year ₹ 33,745,000)	INR 33,745,000
Margin Money against above (Previous year ₹ 33,757,842)	INR 41,613,239
(ii) In respect of second charge on the assets of the Company in favour of the IDBI Trusteeship Services Limited for financial assistance provided by bank(s) to Jaiprakash Power Ventures Limited (Previous Year ₹ 19,650,000,000)	INR 19,650,000,000
(iii) Estimated amounts of Contracts remaining to be executed on Capital Account (Net of advances) and not Provided for Previous year (₹ 43,463,607,650; USD 91,820,000; JPY 19,708,190,000; EURO 78,310,000)	INR 43,463,607,650 USD 91,820,000 JPY 19,708,190,000 EURO 78,310,000

NOTE - 14:

The Company is developing 1320 MW Power Project situated at Tehsil Karchana, Distt. Allahabad, Uttar Pradesh which is awarded by Uttar Pradesh Power Corporation Ltd. (UPPCL) on Build, Own, Operate and Maintain (BOOM) basis. As per the agreement, UPPCL has to provide 583 Ha. of Land to the Company. UPPCL has since executed deed of conveyance for 512 Ha. (Approx.) of Land. A few land owners had filed the writ petition before the Hon'ble Allahabad High Court against the Government of Uttar Pradesh/UPPCL.

The Court vide its order dated April 13, 2012 allowed the petitions of the farmers of Karchana and stalled the work given to the Company. The order is to be effective subject to the deposit of compensation, if any, received by the farmers. However, Company has not received any communication from UPPCL in this regard.

Hence, expenditure incurred during the construction and incidental to setting up the project are carried forward as "Capital Work-in-Progress". Considering the current status, the Company does not envisage provision for impairment/ write off as at the Balance Sheet Date.

NOTE - 15:

In the opinion of the Board of Directors, the "Current Assets, Loans and Advances", have a value on realisation, in the ordinary course of business, at least equal to the amount at which they are stated in the Balance Sheet.

NOTE - 16:

Managerial remuneration and benefits paid / payable to Whole Time Directors

Particulars	For the Year ended March 31, 2012 Amount (₹)	For the Year ended March 31, 2011 Amount (₹)
Salary and Perquisites	8,957,874	3,560,272

NOTE - 17:

Disclosure as required under Notification No. G.S.R. 719 (E) dated November 16, 2007 issued by the Ministry of Corporate Affairs (As certified by the Management):

S. Particulars No	For the year ended March 31, 2012 Amount (₹)	For the year ended March 31, 2011 Amount (₹)
a) The principal amount and interest due thereon remaining unpaid to any supplier		
- Principal Amount	Nil	Nil
- Interest Amount	Nil	Nil
b) The amount of interest paid by the buyer in terms of Section 16 of the Micro Small and Medium Enterprises Development Act, 2006 along with the amounts of payment made to the suppliers beyond the appointed day.	Nil	Nil
c) The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed during year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil
d) The amount of interest accrued and remaining unpaid	Nil	Nil
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro Small and Medium Enterprises Development Act, 2006	Nil	Nil

NOTE - 18:

Related Party Disclosures, as required in terms of 'AS-18' are given below:

(1) List of Related Parties and Relationship

i. Holding Company

Jaiprakash Power Ventures Limited

ii. Ultimate Holding Company

Jaiprakash Associates Limited

iii. Fellow Subsidiaries

- (a) Jaypee Powergrid Limited
- (b) Jaypee Arunanchal Power Limited
- (c) Prayagraj Power Generation Company Limited
- (d) Jaypee Meghalya Power Limited

iv. Fellow Subsidiaries of the Ultimate Holding Company

- (a) Jaypee Infratech Limited
- (b) Himalayan Expressway Limited
- (c) Jaypee Sports International Limited
- (d) Jaypee Ganga Infrastructure Corporation Limited

- (e) Bhilai Jaypee Cement Limited
- (f) Gujarat Jaypee Cement Infrastructures Limited
- (g) Bokaro Jaypee Cement Limited
- (h) Jaypee Agra Vikas Limited
- (i) Jaypee Fertilizers & Industries Limited
- (j) Jaypee Cement Corporation Limited
- (k) Himalyaputra Aviation Limited (w.e.f. 23.07.2011)
- (l) Jaypee Assam Cement Limited (w.e.f. 30.08.2011)

v. Associate Companies/ Concerns

- (a) Jaypee Infra Ventures (A Private Company with Unlimited Liability)
- (b) Jaypee Development Corporation Limited (subsidiary of Jaypee Infra Ventures)
- (c) JIL Information Technology Limited (subsidiary of Jaypee Infra Ventures)
- (d) Gaur & Nagi Limited (subsidiary of JIL Information Technology Limited)
- (e) Jaiprakash Kashmir Energy Limited
- (f) Madhya Pradesh Jaypee Minerals Limited
- (g) Sonebhadra Minerals Pvt. Limited
- (h) RPJ Minerals Pvt. Limited
- (i) Tiger Hills Holiday Resort Private Limited (subsidiary of Jaypee Development Corporation Limited)
- (j) Anvi Hotels Private Limited (subsidiary of Jaypee Infra Ventures)
- (k) Sarveshwari Stone Products Private Limited (subsidiary of RPJ Minerals Private Limited)
- (l) Rock Solid Cement Limited (subsidiary of RPJ Minerals Private Limited)
- (m) MP Jaypee Coal Limited
- (n) MP Jaypee Coal Fields Limited
- (o) Jaiprakash Agri Initiatives Company Limited (subsidiary of Jaypee Infra Ventures)
- (p) Jaypee International Logistics Company Private Limited (subsidiary of Jaypee Infra Ventures)
- (q) Jaypee Uttar Bharat Vikas Private Limited
- (r) Kanpur Fertilizers & Cement Limited (subsidiary of Jaypee Uttar Bharat Vikas Private Limited)
- (s) Indesign Enterprise Private Limited (subsidiary of Jaypee Infra Ventures)
- (t) GM Global Mineral Mining Private Limited (subsidiary of Indesign Enterprise Private Limited)
- (u) Andhra Cements Limited (w.e.f. 10.02.2012, subsidiary of Jaypee Development Corporation Limited)
- (v) OHM Products Private Limited

vi. Key Management Personnel

- (a) Shri Rakesh Sharma Director
(Managing Director up to 12.05.2011)
- (b) Shri Siddheshwar Sen Whole time Director
- (c) Shri V K Agarwal Whole time Director
(ceased w.e.f. 04.11.2011)

(2) The Following are the details of transactions with the related parties: (₹ in Lakhs)

Particulars	Referred in (i) above	Referred in (ii) above	Referred in (iii) above	Referred in (vi) above
Guarantees				
- Second Charge on the Assets of the Company in favour of IDBI Trusteeship Services Limited for Financial Assistance provided by the bank(s) to Jaiprakash Power Ventures Limited as referred to in 1 (a) (i) above	196,500			
- Performance Bank Guarantee Given on Behalf of the Company		9,900.00		
Expenses				
- Jaiprakash Associates Limited		117.15		
Payment made on behalf of Fellow Subsidiary				
- Prayagraj Power Generation Company Limited				(428.25)
Creditors				
- Jaiprakash Associates Limited		13.66		
- Jaiprakash Power Ventures Limited				(0.34)
Key Management Personnel				
Siddheshwar Sen				60.44
V.K. Agarwal				(24.46)
				29.14
				(11.14)

NOTE - 19:

(a) **Gratuity** – the liability for Gratuity is provided on the basis of Actuarial Valuation made at the end of each financial year. The Actuarial Valuation is made on Projected United Credit method as per AS15 (revised). Jaiprakash Associates Limited {JAL} (the ultimate holding company) has constituted a Gratuity Fund under the name Jaiprakash Associates Employees Gratuity Fund Trust vide Trust Deed dated March 30, 2009 for JAL and its subsidiaries and appointed SBI Life Insurance Co. Ltd. for the management of the Trust Funds for the benefits of employees. As a ultimate subsidiary of JAL (The Company being subsidiary of Jaiprakash Power Ventures Limited {JPVL} and JPVL being subsidiary of JAL), the Company is participating in the Trust Fund by contributing its liability accrued upto the close of each financial year to the Trust Fund.

(b) **Leave Encashment** – Defined Benefit Plans–Provision has been made as Actuarial valuation.

S. No.	Particulars	Non-Funded (Amount in ₹)			
		Gratuity		Leave Encashment	
		FY 2011-12	FY 2010-11	FY 2011-12	FY 2010-11
1	Expenses Recognized in the Statement of Preoperative Expenditure During Project Implementation, Pending Allocation for the Year ended March 31, 2012				
1	Current Service Cost	272,907	168,785	345,490	265,888
2	Interest Cost	14,347	-	22,600	-
3	Employee Contribution	-	-	-	-
4	Actuarial (Gains)/Loss	(5,981)	-	(50,192)	-
5	Past Service Cost	-	-	-	-
6	Settlement Cost	-	-	-	-
7	Total Expenses	281,273	168,785	317,898	265,888

S. No.	Particulars	Non-Funded (Amount in ₹)			
		Gratuity		Leave Encashment	
		FY 2011-12	FY 2010-11	FY 2011-12	FY 2010-11
II	Net Assets/ (Liability) recognized in the Balance Sheet as at March 31, 2012				
1	Present Value of Defined Benefit Obligation	442,092	168,785	553,466	265,888
2	Fair Value of Plan Assets	108,672	-	-	-
3	Funded Status (Surplus/Deficit)	(333,420)	-	(553,466)	-
4	Net Assets / (Liability) as at March 31, 2012	(333,420)	(168,785)	553,466	(265,888)
III	Change in Obligation during the year ended March 31, 2012				
1	Present value of Defined Benefit Obligation at the beginning of the year	168,785	-	265,888	-
2	Current Service Cost	272,907	168,785	345,490	265,888
3	Interest Cost	14,347	-	22,600	-
4	Settlement Cost	-	-	-	-
5	Past Service Cost	-	-	-	-
6	Employee Contribution	-	-	-	-
7	Actuarial (Gain)/Losses	4,341	-	(50,192)	-
8	Benefit Payments	(18,288)	-	(30,320)	-
9	Present Value of Defined Benefit at the end of the year	442,092	168,785	553,466	265,888
IV	Change in Assets during the year ended March 31, 2012				
1	Plan Assets at the beginning of the year	-	-	-	-
2	Assets acquired on amalgamation in the previous year	-	-	-	-
3	Settlements	-	-	-	-
4	Expected return on Plan Assets	-	-	-	-
5	Contribution by Employer	116,638	-	-	-
6	Actual Benefit Paid	(18,288)	-	-	-
7	Actuarial (Gains)/Losses	10,322	-	-	-
8	Plan Assets at the end of the year	108,672	-	-	-
9	Actual Return on Plan Assets	-	-	-	-

Actuarial Assumptions

	FY 2011-12	FY 2010-11
(i) Discount Rate	8.50%	8%
(ii) Mortality	LIC (1994-96)	LIC (1994-96)
(iii) Future Salary Increase	8.50%	8%

NOTE - 20:

As Commercial operations have not yet commenced, therefore there is no deferred tax liability as on March 31, 2012.

NOTE - 21:

Previous year's figures have been re-grouped/ re-arranged wherever considered necessary to make them conform to the figures for the year as per Revised Schedule VI of the Companies Act, 1956.

As per our report of even date attached

For Chaturvedi & Partners

Chartered Accountants

F.R.N. 307068E

R. N. Chaturvedi

Partner

Membership No. 092087

Place: Noida

Date: May 10, 2012

For and on behalf of the Board

Rakesh Sharma

Director

DIN 00009952

Suren Jain

Director

DIN 00011026

Samir Raheja

Company Secretary

Sunil Kumar Sharma

Director

DIN 00008125

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

(Amount in ₹)

Particulars	Year ended 31-03-2012	Year ended 31-03-2011
A. CASH FLOW FROM OPERATING ACTIVITIES	-	-
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-	(353,918,629)
Investment in Bank Deposits (having original maturity of more than three months)	(37,491,133)	(66,621,971)
Payment towards Pre-Operative/ Incidental Expenses under construction and capital advances	(5,120,609)	(3,743,875,130)
Interest received on deposits	12,262,951	107,031,102
NET CASH GENERATED (USED IN) INVESTING ACTIVITIES	(30,348,791)	(4,057,384,628)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Equity Share Capital	-	4,000,000,000
NET CASH FROM FINANCING ACTIVITIES	-	4,000,000,000
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE YEAR	(30,348,791)	(57,384,628)
Cash and cash equivalents at the beginning of the year	153,150,934	210,535,562
Cash and cash equivalents at the end of the year	122,802,143	153,150,934

Note :

- The Cash Flow Statement has been as per the indirect method as set out in the Accounting Standard (AS-3) on Cash Flow Statement issued under the Companies Accounting Standards Rules, 2006.
- (a) The Cash and Cash equivalents comprise of the following :

Particulars	As at 31-03- 2012	As at 31-03- 2011
Balances with Banks		
- in Current Accounts	814,451	41,744,781
- in Fixed deposit accounts with maturity of less than three months	66,250,262	27,945,000
Cash in hand	72,232	37,774
Sub Total	67,136,945	69,727,555
Others		
Balances with Banks		
- in Free Fixed Deposit Account with maturity of more than three months but less than twelve months	14,051,959	45,000,000
Held as margin money deposit against guarantees	41,613,239	38,423,379
Sub Total	55,665,198	83,423,379
Total	122,802,143	153,150,934

- Cash and Cash Equivalents in fixed deposit includes security deposit with the Government Corporations.
- Cash and cash equivalents as of March 31, 2012 and March 31, 2011 include restricted cash and bank balances of ₹ 41,613,239 and ₹ 38,423,379 respectively. The restrictions are primarily on account of deposits held as margin money against guarantee.

For Chaturvedi & Partners
Chartered Accountants
F.R.N. 307068E

For and on behalf of the Board

R. N. Chaturvedi
Partner
Membership No. 092087

Rakesh Sharma
Director
DIN 00009952

Suren Jain
Director
DIN 00011026

Sunil Kumar Sharma
Director
DIN 00008125

Place: Noida
Date: May 10, 2012

Samir Raheja
Company Secretary